

How to Increase Lumber Trade with Australia

Importance of Branding British Columbia Lumber for the Australian Commonwealth.

The Weekly Bulletin of the Department of Trade and Commerce, Ottawa, issue of April 2nd, contains the following valuable suggestion for stimulating business with the Australian Commonwealth in the lumber trade:

Below are extracts from a letter received by Mr. D. H. Ross, Canadian Trade Commissioner, in Melbourne, Australia, from a leading lumber dealer of Australia:

"The time has now come when each part of the Empire must and should do its best to help the other, and there is no better way of making a success of this than by trading. I am not a believer in a preference tariff, but do believe in preference to our own race, and if my suggestions were carried out I see no reason why the greater part of the Oregon (and I might add, other lines) should not come from Canada.

"In the past you have not had a fair share of our trade. It would be as well to take a few figures based on the year before the war (1913). We are safe in basing it on the size of 12 by 6 and its equivalent and over. We find the imports of Oregon or Douglas pine into the Commonwealth were:

Canada	3,890,000 feet super
United States.....	123,145,000 " "

"These figures should be reversed, or at all times altered materially, say, two-thirds from Canada and one-third from the United States.

"Keep this well before you: Whilst the war is on trade is brisk and men are in constant work, whether at their own special trade or at something else. When the war is over no one knows what will take place and it is for us all to try to make work within our own Empire. My suggestion is this, that all timber coming from Canada should be branded at each end with the word 'Canada.'

"A well organized campaign is necessary, also keep this well before you: The timber merchant does not count, it is the architect and the general public. The architects specify fully 80 per cent. of the Oregon used, and if in their specifications Canadian Oregon or Douglas pine is mentioned the trade must stock it or lose the business. If the Institute of Architects decide upon this course then the trade must follow. It is no use the trade trying to supply American, as the clerk of the works will only send it back; besides this, it will be necessary to have some inspector going round the yards to see that they hold stocks of Canadian.

"Besides the brand 'Canada,' there should also be a mill brand, for this reason: It makes keen rivalry amongst the mills and leads to better average shipments. All the Baltic mills brand the whole of their output. It has been made a success of here, then why should it not be with your Oregon? It goes without saying that the railways and the Public Works Department, both large consumers, would always specify Canadian Oregon.

"The freight on Oregon has always been far higher than the f.o.b. cost. I take it you would always be on a level with freights. This being so, if your timber were branded and specified you might obtain 2s. per 1,000 feet more; that is under 2½d. per 100 feet. As the distributing trade, which is an association and bound to prices, have a very fair margin on Oregon, 3d. per 100 feet not yet 6d. per 100 feet is not going to act against yours in any way. If the architects specify and you brand, the trade must buy and can then afford to pay slightly more for yours.

"So soon as the first cargo is landed in Melbourne the representative would go on to Sydney and do the same

there. The Sydney market will be more difficult to work than the Victorian, still at the moment there is a patriotic wave going through the whole of the Commonwealth and if you move at once you will undoubtedly obtain the benefit. It is no use waiting until the war is over. You are aware Sydney imports far more Oregon than Victoria, yet it is Victoria that will take on the branding quicker than New South Wales, and if it once takes in Victoria, it will through the rest of the states.

"I cannot too strongly emphasize the fact that every one within this Commonwealth would prefer to trade with Canada in preference to the United States, provided they are sure of getting their supplies and of equal quality. You may state that the United States in order to regain the market would cut the prices. I doubt it for you must remember it is on f.o.b. Freights must not be taken into account. Even if she did it is the architects and the general public that will decide the question and, as stated, there is a fairly large margin between the wholesale and the distributing trade. It will not pay the timber merchants to take American.

"In the past the trade has been done chiefly through the large American commission houses who have speculated not only on the timber itself but also on the freights. I am firmly under the impression that had the branding been adopted before, the United States would not have had the same chances, still these American commission houses are not blocked from doing trade, as they can still buy Canadian Oregon and naturally if the preference is for Canadian they are going to do so.

"By acting quickly you have an advantage. Trade here is dull and there are not many buyers about and stocks are being gradually worked down, so that the risk you run at the moment is practically nil. Another fact you must not overlook is that many of the cargoes coming from America have not been satisfactory, and even lately there have been a good many complaints. No doubt we will have the same from Canada, and it is for this reason I suggest that each mill should have its own brand, as the trade will then know which is the best. We now sell brands of all timbers—why not of Oregon?"

NEW PULP AND PAPER COMPANY FORMED.

The Whalen Pulp & Paper Mills, Ltd., with a capital of \$10,102,500, will shortly start operations on a large scale in the manufacture of pulp and paper in this Province. Three companies have been absorbed—the B. C. Sulphite & Fibre Company, of Mill Creek; the Empire Pulp & Paper Mills, of Swanson Bay, and the Colonial Lumber & Paper Mills, of Quatsino, Vancouver Island.

In regard to the Colonial Company, the stockholders of which have decided to accept the proposal, it is stated that from January 1 next they will commence to draw dividends. The new company owns approximately 150,000 acres of timber tracts, as well as great water power, and already sums aggregating \$750,000 have been expended in development work. It is the intention, as soon as the plant is installed, to maintain an output of something like 200 tons per day, and this may be increased as the necessity arises. The company will have its own ships for the transportation of its products to the markets of the world.

In addition to James Whalen, there will be connected with the company George Whalen, as vice-president and general manager; John and William Whalen; Lester W. David, of Seattle; E. F. Allen, of Vancouver, and Col. Henry Appleby, of Victoria.